

**WORKING DRAFT – FOR DISCUSSION PURPOSES ONLY**

**LOCAL GOVERNMENT FISCAL AND  
ECONOMIC IMPACT STUDIES**

**LONG TITLE**

**General Description:**

This bill modifies the provisions related to a county, city, or town to require a fiscal and economic impact studies before certain expenditure of monies.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires a fiscal study and an economic impact study before the approval of certain expenditures;
- establishes what is to be included in the required studies;
- requires independence of the person conducting the required studies; and
- provides for a hearing on an economics study.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

10-1-119, Utah Code Annotated 1953

17-15-30, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section 10-1-119 is enacted to read:

**10-1-119. Required fiscal and economic impact studies.**

(1) As used in this section:

(a)(i) Except as provided in Subsection (1)(a)(ii), "competitive municipal project" means one or more of the following that is constructed, acquired, leased, or operated by a municipality:

(A) a golf course;

(B) an athletic field;

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- 1 (C) a gymnasium;
- 2 (D) a swimming pool;
- 3 (E) a hospital;
- 4 (F) a pharmacy;
- 5 (G) an ambulance service;
- 6 (H) garbage and refuse collection services; or
- 7 (I) a food services facility.
- 8 (ii) "Competitive municipal project" does not include a project described in Subsection (1)(a)(i) if the
- 9 municipality designs the project so that a revenue generating activity at the project is performed by a private
- 10 person pursuant to a contract, lease, or other arrangement.
- 11 (b) "Economic impact study" means a study meeting the requirements of Subsection (5).
- 12 (c) "Fiscal study" means a study meeting the requirements of Subsection (4).
- 13 (d) "Independent consultant" means a person appointed in accordance with Subsection (3).
- 14 (e) "New competitive municipal project" means a competitive municipal project:
- 15 (i) that the municipality has not constructed, acquired, leased, or operated before May 5, 2008;
- 16 (ii) for which the municipality has not expended monies before May 5, 2008, including monies for the
- 17 planning of the competitive municipal project;
- 18 (iii) that is not directly related to a competitive municipal project:
- 19 (A) that the municipality constructed, acquired, leased, or operated before May 5, 2008; or
- 20 (B) for which the municipality has expended monies before May 5, 2008; or
- 21 (iv) for which the municipality has not entered into a contract before May 5, 2008.
- 22 (f) "Private person" means a person who is not a government entity.
- 23 (2) Before a legislative body of a municipality may approve the expenditure of monies for a new competitive
- 24 municipal project, the legislative body shall:
- 25 (a) hire an independent consultant in accordance with Subsection (3);
- 26 (b) obtain from an independent consultant a fiscal study meeting the requirements of Subsection (4);
- 27 (c) obtain from an independent consultant an economic impact study meeting the requirements of
- 28 Subsection (5); and
- 29 (d) hold the public hearing required by Subsection (6).
- 30 (3) A legislative body required to comply with Subsection (2) shall:
- 31 (a) hire an independent consultant who:
- 32 (i) is an expert in the processes and economics of local government;
- 33 (ii) will receive no economic benefit from the municipality's decision to expend monies on the new

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- 1 competitive municipal project that the independent consultant is to study;
- 2 (iii) has no ownership interest in or management authority over a person who will receive an economic
- 3 benefit from the municipality's decision to expend monies on the new competitive municipal project that the
- 4 independent consultant is to study; and
- 5 (iv) is not an employee of the municipality;
- 6 (b) require the independent consultant to:
- 7 (i) complete:
- 8 (A) a fiscal study;
- 9 (B) an economic impact study; or
- 10 (C) both a fiscal study and an economic study;
- 11 (iii) submit written results of a study completed by the independent consultant to the legislative body; and
- 12 (iii) participate in a public hearing described in Subsection (6).
- 13 (4) A fiscal study conducted under this section shall include:
- 14 (a) a determination of whether or not there is a consistent and reliable funding source for the financing of the
- 15 new competitive municipal project;
- 16 (b) a list of the one or more contracts, private leases, or rental arrangements under which the revenues
- 17 received will be used to pay for all, or a portion, of the capital outlay or operation and maintenance of the
- 18 new competitive municipal project;
- 19 (c) an identification of an anticipated user fee that may be anticipated and used for all, or a portion, of the
- 20 capital outlay or operation and maintenance of the new competitive municipal project; and
- 21 (d) a demonstration of the life cycle of the financing the new competitive municipal project to a level of
- 22 specificity that can show short or long term public revenue gains or subsidies that may associated with the
- 23 new competitive municipal project.
- 24 (5) An economic impact study conducted under this section shall include:
- 25 (a) a statement as to whether the new competitive municipal project meets a need that cannot be met by a
- 26 private person;
- 27 (b) whether one or more persons provide goods or services similar to the new competitive municipal project
- 28 being studied; and
- 29 (c) if a municipality constructs, acquires, leases, or operates a new competitive municipal project, what
- 30 economic impact would be experienced by:
- 31 (i) a facility operated by a private person described in Subsection (5)(b); and
- 32 (ii) the general market in which the facility being studied would operate.
- 33 (6)(a) If required by Subsection (2), a legislative body shall hold at least one public hearing:

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1 (i)(A) after receiving both the fiscal study and the economic impact study required by Subsection (2); and  
2 (B) before approving an expenditure of monies for a new competitive municipal project;  
3 (ii) for the purpose of allowing the public to:  
4 (A) become informed about the results of the studies required by Subsection (2);  
5 (B) ask questions of the municipal legislative body about the results of the studies required by Subsection  
6 (2); and  
7 (C) ask questions of the independent consultant about the results of the studies required by Subsection (2);  
8 and  
9 (iii) after giving notice in accordance with Subsection (6)(b), in addition complying with Title 57, Chapter 4,  
10 Utah Open and Public Meetings Act.  
11 (b)(i) Subject to Subsection (6)(b)(ii) and (iii), the municipality shall publish notice of a public hearing held  
12 under this section at least once a week for three consecutive weeks in a newspaper of general circulation in  
13 the municipality.  
14 (ii) The last publication of notice required under Subsection (6)(b)(i) shall be at least three days before the  
15 first public hearing required under this Subsection (6).  
16 (iii) (A) If there is no newspaper of general circulation in the municipality, for each 1,000 residents, the  
17 municipality shall post at least one notice of a public hearing held under this section in a conspicuous place  
18 within the municipality that is likely to give notice of the public hearing to the greatest number of residents of  
19 the municipality.  
20 (B) The municipality shall post the a notice described in Subsection (6)(c)(iii)(A) at least seven days before  
21 the public hearing held under this Subsection (6).

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23 Section 2. Section 17-15-30 is enacted to read:

24 **17-15-30. Required fiscal and economic impact studies.**

25 (1) As used in this section:

26 (a)(i) Except as provided in Subsection (1)(a)(ii), "competitive county project" means one or more of the  
27 following that is constructed, acquired, leased, or operated by a county:

28 (A) a golf course;

29 (B) an athletic field;

30 (C) a gymnasium;

31 (D) a swimming pool;

32 (E) a hospital;

33 (F) a pharmacy;

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- 1 (G) an ambulance service;
- 2 (H) garbage and refuse collection services; or
- 3 (I) a food services facility.
- 4 (ii) "Competitive county project" does not include a project described in Subsection (1)(a)(i) if the county
- 5 designs the project so that a revenue generating activity at the project is performed by a private person
- 6 pursuant to a contract, lease, or other arrangement.
- 7 (b) "Economic impact study" means a study meeting the requirements of Subsection (5).
- 8 (c) "Fiscal study" means a study meeting the requirements of Subsection (4).
- 9 (d) "Independent consultant" means a person appointed in accordance with Subsection (3).
- 10 (e) "New competitive county project" means a competitive county project:
- 11 (i) that the county has not constructed, acquired, leased, or operated before May 5, 2008;
- 12 (ii) for which the county has not expended monies before May 5, 2008, including monies for the planning of
- 13 the competitive county project;
- 14 (iii) that is not directly related to a competitive county project:
- 15 (A) that the county constructed, acquired, leased, or operated before May 5, 2008; or
- 16 (B) for which the county has expended monies before May 5, 2008; or
- 17 (iv) for which the county has not entered into a contract before May 5, 2008.
- 18 (f) "Private person" means a person who is not a government entity.
- 19 (2) Before a legislative body of a county may approve the expenditure of monies for a new competitive
- 20 county project, the legislative body shall:
- 21 (a) hire an independent consultant in accordance with Subsection (3);
- 22 (b) obtain from an independent consultant a fiscal study meeting the requirements of Subsection (4);
- 23 (c) obtain from an independent consultant an economic impact study meeting the requirements of
- 24 Subsection (5); and
- 25 (d) hold the public hearing required by Subsection (6).
- 26 (3) A legislative body required to comply with Subsection (2) shall:
- 27 (a) hire an independent consultant who:
- 28 (i) is an expert in the processes and economics of local government;
- 29 (ii) will receive no economic benefit from the county's decision to expend monies on the new competitive
- 30 county project that the independent consultant is to study;
- 31 (iii) has no ownership interest in or management authority over a person who will receive an economic
- 32 benefit from the county's decision to expend monies on the new competitive county project that the
- 33 independent consultant is to study; and

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- 1 (iv) is not an employee of the county;
- 2 (b) require the independent consultant to:
- 3 (i) complete:
- 4 (A) a fiscal study;
- 5 (B) an economic impact study; or
- 6 (C) both a fiscal study and an economic study;
- 7 (iii) submit written results of a study completed by the independent consultant to the legislative body; and
- 8 (iii) participate in a public hearing described in Subsection (6).
- 9 (4) A fiscal study conducted under this section shall include:
- 10 (a) a determination of whether or not there is a consistent and reliable funding source for the financing of the
- 11 new competitive county project;
- 12 (b) a list of the one or more contracts, private leases, or rental arrangements under which the revenues
- 13 received will be used to pay for all, or a portion, of the capital outlay or operation and maintenance of the
- 14 new competitive county project;
- 15 (c) an identification of an anticipated user fee that may be anticipated and used for all, or a portion, of the
- 16 capital outlay or operation and maintenance of the new competitive county project; and
- 17 (d) a demonstration of the life cycle of the financing the new competitive county project to a level of
- 18 specificity that can show short or long term public revenue gains or subsidies that may associated with the
- 19 new competitive county project.
- 20 (5) An economic impact study conducted under this section shall include:
- 21 (a) a statement as to whether the new competitive county project meets a need that cannot be met by a
- 22 private person;
- 23 (b) whether one or more persons provide goods or services similar to the new competitive county project
- 24 being studied; and
- 25 (c) if a county constructs, acquires, leases, or operates a new competitive county project, what economic
- 26 impact would be experienced by:
- 27 (i) a facility operated by a private person described in Subsection (5)(b); and
- 28 (ii) the general market in which the facility being studied would operate.
- 29 (6)(a) If required by Subsection (2), a legislative body shall hold at least one public hearing:
- 30 (i)(A) after receiving both the fiscal study and the economic impact study required by Subsection (2); and
- 31 (B) before approving an expenditure of monies for a new competitive county project;
- 32 (ii) for the purpose of allowing the public to:
- 33 (A) become informed about the results of the studies required by Subsection (2);

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- 1 (B) ask questions of the county legislative body about the results of the studies required by Subsection (2);  
2 and  
3 (C) ask questions of the independent consultant about the results of the studies required by Subsection (2);  
4 and  
5 (iii) after giving notice in accordance with Subsection (6)(b), in addition complying with Title 57, Chapter 4,  
6 Utah Open and Public Meetings Act.  
7 (b)(i) Subject to Subsection (6)(b)(ii) and (iii), the county shall publish notice of a public hearing held under  
8 this section at least once a week for three consecutive weeks in a newspaper of general circulation in the  
9 county.  
10 (ii) The last publication of notice required under Subsection (6)(b)(i) shall be at least three days before the  
11 first public hearing required under this Subsection (6).  
12 (iii) (A) If there is no newspaper of general circulation in the county, for each 1,000 residents, the county  
13 shall post at least one notice of a public hearing held under this section in a conspicuous place within the  
14 county that is likely to give notice of the public hearing to the greatest number of residents of the county.  
15 (B) The county shall post the a notice described in Subsection (6)(c)(iii)(A) at least seven days before the  
16 public hearing held under this Subsection (6).

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